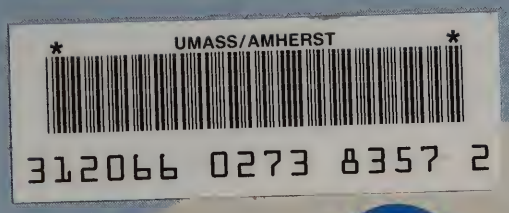
MASS. G67.8: W48/M74




# MONEY MATTERS

## Older Women and Finances: A Guide to Resources

THE GOVERNOR'S OFFICE ON WOMEN'S ISSUES

Michael S. Dukakis
Governor

Vivien Li
Advisor on Women's Issues

FEB 1 0 1989
University of Massachusetts
Depository Copy

Publication #15,636-20-2000-8/15/88-C.R.
Approved by Ric Murphy, State Purchasing Agent

884/323

MONEY MATTERS : TABLE OF CONTENTS

I. Introduction.....p.2

II. Getting Resources Together: Personal and Financial Records.....p.5

III. Financial Planning Resources.....p.6
- A. Financial Advice and Planning
- B. Budget Preparation
- C. Education and Publications

IV. Pensions.....p.10

V. Benefits.....p.13
- Social Security
- Supplemental Security Income (SSI)
- Medicare
- Medicaid
- Medex
- Fuel Assistance and Weatherization
- Food Stamps
- Veterans Benefits
- Taxes and Tax Abatements
- Unemployment Insurance

VI. Legal Resources.....p.24

VII. General Directory.....p.26
- Local Contacts-Government.....p.26
- Groups and Organizations.....p.28
- Glossary of Terms.....p.31
- Bibliography.....p.35

VIII. Acknowledgements.....p.37

## I. Introduction

Older women in the Commonwealth constitute a growing segment of the population. Their concerns and needs are special ones. Recognizing the importance of addressing crucial issues such as finances, health care, and housing for this population, the Governor's Office on Women's Issues is developing a series of handbooks.

The message from our valuable network of advocates and service providers for the older community is clear: the lack of centralized information geared toward older women is a continual frustration. This guidebook, then, is offered to help alleviate that problem. The selection of "finances" as our first guidebook topic reflects the concern with economic difficulties that exists, particularly for older women.

The financial problems that older women face reflect the economic difficulties that women in general experience throughout their lives. Women still earn less than men, despite equivalent experience and education. The majority of part-time employment is performed by women, which often translates to low wages, no benefits, and no pension or retirement plans. As women are the primary caretakers of our young and old, they often disrupt or delay their careers. Such disruption may decrease their Social Security and other retirement funds, such as pension plans.

In Massachusetts, women comprise 62% of those over 65 and 73% of the age 85+ population. The median annual income for older women is $4,149 - older women account for 74.10% of the Commonwealth's poor elderly. In addition to having financial difficulties, many

older women must handle their own affairs: 40.6% of older women live alone.* For those who are not alone, other problems surface. For although most married households are comprised of two earners, Medicaid, Medicare and Social Security benefits are often based upon the traditional family model: the man as primary earner and the woman as homemaker. If one spouse is hospitalized or institutionalized, current laws require that the community spouse must "spend down" the couple's joint earnings. This may ultimately result in both family members needing financial assistance: the community spouse becomes impoverished while depleting joint assets, and the institutionalized spouse almost always requires more care than the community spouse can afford.

Divorce is often another traumatic reality for older women. Many women are unprepared for the difficult financial decisions which they must make, for the first time, as single divorced people.

With these challenges to economic security, older women are faced with a need to be educated and assisted in financial matters. This resource guide outlines the steps for financial planning. The initial sections focus on pre-retirement planning, including the need for compilation of records and preparation of a budget. The remaining sections of this guide include a list of some of the resources available.

*Statistics from The Economic Status of Older Women in Massachusetts by Elba Caraballo and Nita Goldstein, Gerontology Institute of the University of Massachusetts/Boston College of Public and Community Service, 1987, pp. 1-2.

While information included here is most specific for the Greater Boston area, a state-wide general information number or contact office is also included for each service.

The information in this guide is intended to assist individuals in their planning process and should not be construed as legal advice.

## II. Getting Financial Records Together

The National Institute on Aging, U.S. Department of Health and Human Services, suggests that planning for the future should begin by gathering records which can be useful for budgeting income, making investments, or for retirement and estate planning.

**-------Personal Records File should include:**

--Full Legal Name and Social Security number
--Legal residence
--Date and place of birth
--Names and addresses of spouse and children or death certificate location if any deceased
--Location of will or trust
--Location of birth certificate and certificates of marriage, divorce, and citizenship
--List of employers and dates of employment
--Education and military records
--Religious affiliation, name of religious center, and names of clergy (optional)
--Organization memberships and awards received
--Names, addresses, and telephone numbers of close friends, relatives, doctors, and lawyers or financial advisors
--Requests, preferences, or prearrangements for burial.

**-------Financial Records File should include:**

--Sources of income and assets (e.g. pension funds, interest income.)
--Social Security and Medicare information
--Investment income information (stocks, bonds, property)
--Insurance information (life, health, and property) with policy numbers
--Bank accounts(checking, savings, credit union)
--Location of safe deposit boxes and keys, as well as an inventory of contents
--Copy of most recent tax return
--Liabilities-what is owed to whom and when payment is due
--Mortgages and debts-how and when paid
--Credit card, charge account names and numbers
--Property taxes
--Location of items such as jewelery or family heirlooms, and photos of items if possible.

## III. Financial Advice and Planning Resources

### A. Financial Planning

Financial planning should begin years before retirement. This section serves as a brief introduction to financial advice and planning resources available to older women.

Financial advice can be obtained from financial institutions such as banks, credit unions, and consumer finance companies; from legal aid organizations, and from public and private family service agencies. Some of these resources are listed in other sections of this booklet under **Legal Resources** and **General Resources.**

Also, there are non-profit consumer counseling services designed to counsel families on general money matters as well as debt concerns: the Consumer Credit Counseling Service of Eastern Massachusetts, Inc. offers programs on Budget and Money Management, Debt Management, Housing Counseling, and Consumer Education through their Boston, Brockton, and Worcester offices. Counseling services are free. In Boston:
Suite 1210, 8 Winter Street
Boston, MA 02108
617-426-6644

Financial planners are professionals available to discuss monetary strategy. Financial planners often work on an hourly fee basis, and can help with pre-retirement planning, tax planning, investment planning, estate planning, and more. They may direct you to a money manager who can help with budget preparation.

A list of local certified financial planners is available from:
The Institute of Certified Financial Planners
Two Denver Highlands
10065 East Harvard Ave, Suite 320
Denver, CO 80231-5942
303-751-7600

Financial planners and money managers can also be found in the phonebook under "Financial Planning" and "Financial Advising." They may ask you to provide them with a copy of your latest tax return, information on your pension plan, your insurance policies, and the contents of your investment portfolio, if you have one. It is helpful to bring a written statement of your goals.

B. Budget Preparation

Initially, these planners will ask you to provide them with figures that approximate your budget. This is something that any individual can and should prepare. A good general introduction to budget composition is found in "Your Financial Plan," a booklet published by the Money Management Institute (address below).

The first step in setting up a money management plan is producing a working budget. Briefly, this entails knowing:

your income: money you receive on a regular basis. For example: paycheck, government support, retirement pension, gifts, returns from investments.

your expenses: the products and services you must pay for on a daily, weekly, and monthly basis. For example: rent and mortgage payments, food, carfare/transport, utility bills, auto loans, taxes, charity.

Expenses may be fixed (those you are obligated to pay on specific dates and in specific amounts,) flexible (varying in amount and date needed,) and periodic (fixed expenses which occur periodically during the year which may require saving in advance.)

Once you have estimated your annual income and expenses, you can calculate your discretionary income. This income can be used for savings and investments.

Helpful charts and explanations that will aid you in the process of budget formulation are provided in brochures such as those offered at nominal cost from the Money Management Institute.

C. Education and Publications

Other resources dedicated to educating women in financial matters include the following:

American Association of Retired Persons (AARP), Women's Financial Project: Workshops have been periodically offered consisting of seven two-hour sessions devoted to financial planning (investments, money management, insurance) as well as considering benefit programs. Local financial and legal experts serve as guest speakers. For information, contact the national offices at:

AARP Women's Financial Information Program
Program Specialist
Consumer Affairs/ Women's Initiative
1909 K Street, N.W.
Washington, D.C. 20049
202-728-4355

For information on the next local workshop, contact the AARP Associate Area Representative Women's Financial Program Coordinator at 617-426-1185.

The Gerontology Institute at University of Massachusetts at Boston offers a program, Future Connections, Inc., to assist individuals in reviewing the major issues and responsibilities involved in effective retirement preparation. Financial planning, legal planning, and health care planning are among the scheduled presentations given by

staff and service-giving specialists. Twelve hours of seminars are offered to interested sponsoring groups, who should contact:
Associate Director, Gerontology Institute
University of Massachusetts at Boston
Downtown Center
Boston, MA 02125
617-956-1157

Brochures on managing financial affairs are available from:
The Money Management Institute
Household Financial Services
2700 Sanders Road
Prospect Heights, IL 60070
Request a "personal money management materials catalog."

Contact your local Adult Education Center to see if courses on Money Organization techniques such as "Women and Money" are offered in your area.

See **Glossary** for commonly used terms in financial planning.

## IV. Pensions

Althought the only source of income for most older women is Social Security, one in five women receives some type of pension, public or private, to supplement Social Security benefits. For these women, or for those with spouses who are involved in pension plans, it is important to investigate and understand this aspect of money matters. Pensions are usually based on your earnings and the number of years you have worked for an employer. Benefits may be paid out in monthly installments or in a lump sum when you leave a job or retire. There are several different kinds of pensions, based on the employer providing the plan. These include private and public (federal, state, local) plans. A good introduction is the Older Women's League (OWL) Observer: Special Edition on Women and Pensions. (See address under **Groups and Organizations.**)

If you are involved in a pension plan, ask the "pension plan administrator" at your company for a summary plan description and an official plan document. These will describe the eligibility requirements for participation, the age at which you can receive a full pension, and how to calculate the amount of benefit you will receive. An individual benefit statement not only shows your accrued benefit but also as helps you to derive an estimate for what will be paid at retirement. For questions you should ask of your plan, see the American Association of Retired Persons (AARP) booklet put out by their Worker Equity Department, "A Woman's Guide to Pension Rights"(See address under **Groups and Organizations**).

Pension integration is practiced by many companies. Be aware that when your company calculates the benefits that you will receive from their pension plan as a retiree, they are allowed by law to take into consideration the Social Security benefits that you have earned.

A mathematical formula is used to subtract part of your Social Security benefit from your pension benefit. For the low wage worker, this may significantly reduce the pension or cancel it altogether. (The recent tax law allows companies to reduce employee pensions by no more than half because of Social Security benefits; however, this applies only to pension benefits earned after 1989.) In reviewing your pension plan, be sure to factor this into your planning. Ask your employer whether your plan is integrated.

Publications on pension rights; on laws affecting homemakers, workers, widow(er)s and divorced spouses; on integrating pensions with Social Security payments and others, are available from the Pension Rights Center. They will also answer questions on pensions. Call or write them at:

The Pension Rights Center
918 16th Street, N.W. Suite 704
Washington D.C. 20006
202-296-3776

Enclose a self-addressed stamped envelope for a list of publications.

"What You Should Know About the Pension Law," a booklet explaining the rights, safeguards, and guarantees of the 1974 Employee Retirement Income Security Act, as amended in 1984 by the Retirement Equity Act, and 1986 by the Tax Reform Act, is available in a 1988 edition from:

The U.S. Department of Labor
Pension and Welfare Benefits Administration
Suite L-2, McCormack Building
Boston, MA 02109
617-223-9837

For information on whether your pension plan is insured or to find out what to do if your pension plan is about to terminate, contact:

Pension Benefit Guaranty Corp.
2020 K Street, N.W.
Washington, D.C. 20006
202-778-8840

Women's Equity Action League (WEAL) publishes Fact Sheets on pension benefits for former spouses of retired military personnel (available at a cost). Contact:
WEAL
1250 I Street NW
Suite 305
Washington, DC 20005.
202-898-1588

State employees can call or contact the State Board of Retirement with questions about pensions under Massachusetts state laws.
One Ashburton Place
Boston 02108
617-367-7770

Pensions may contribute to retirement income, but they may provide only part of the money needed to live. Other public benefits that exist follow.

## V. Benefits.

Many eligible older persons do not apply for and receive benefits that may help provide financial security. This section directs women to the appropriate resources, and should be used for reference purposes. Since eligibility requirements change, contact the listed source for current figures.

### 1. Social Security

Program: Social Security is a national retirement income supplement. Monthly benefits are available to workers upon retirement, to their dependents and/or survivors, and to the severely disabled. (A severe disability is defined as one that is medically determinable, one that lasts at least twelve months or results in death, and one that prevents the individual from completing any substantial gainful activity.)

Eligibility: Available to Americans over 65 years of age (persons age 62 may qualify under certain conditions, such as limited income or unemployment). Your age and the amount of your lifetime earnings under Social Security dictate your benefit payments. There is a limit to how much you can earn and still receive all your benefits if you are under the age of 70. Limit amounts change, but the 1988 annual figure for individuals between the ages 65 to 69 is $8400. If you are under 65, the amount you may earn and still receive your full benefits is $6120 annually. (These figures will change.) If you exceed these amounts, Social Security witholds $1 in benefits for every $2 earned above the exempt amount. Government employees may not be eligible for Social Security if they have solely participated in a state retirement plan and made payments into this private pension system in lieu of Social Security.

How to apply: To apply for Social Security, write or telephone the local Social Security

Office listed below for instructions on how to file a claim. You will need your Social Security card or a record of your number, proof of age, and some tax information (a copy of your W-2 for last year, or if self-employed, a copy of your tax return). It is suggested that this be done three months before you are eligible for benefits.

When planning, it is a good idea to obtain a "Request for Statement of Earnings" form, available from your Social Security Office, to find out the earnings that have been credited to your Social Security Record. Upon receipt of this information, you should check it carefully against your old tax forms for accuracy. In addition, a new "Personal Earnings and Benefits Estimates Statement" will help estimate how much money workers will get when they retire. This disclosure form, #SSA-7004, can be requested from Social Security at 1-800-937-2000.

Additional Information: Call the Social Security Administration teleservice at 617-227-2400. They will answer questions and refer you to your local Social Security District office.

Additional Resource: Social Security Handbook by the US Department of Health and Human Services. Social Security Administration Pub. No. 017-070-00420-2, 1986 edition. Handbook contains information on retirement, survivors and disability insurance, as well as health insurance and SSI. Available for $13.00 at all Government Printing Offices.
In Boston: U.S. Government Printing Office
Room G-25
John F. Kennedy Federal Building
Boston, MA 02203.
617-565-2488

## 2. Supplemental Security Income (SSI)

Program: Supplemental Security Income assures a minimum monthly income to needy persons with limited income and resources, who are 65, blind or disabled. It is a needs-based supplement that varies according to factors like living arrangements, other sources of income, and assets. The payment may be in addition to Social Security benefits, but it is reduced by the amount of any additional income.

Eligibilty: Determined by income and assets.

How to apply: Contact local Social Security Office at 617-227-2400 for information on programs and how to file claims.

Additional information: call Boston Commission on Affairs of the Elderly at 617-725-3993, or call the Social Security Informational Teleservice at 617-227-2400.

---

Part of financial planning includes consideration of the costs of medical sevices and health care, as well as long-term care. The following three benefits and supplements are listed because the costs of health care cannot be ignored as part of the overall financial picture for every woman.

---

3.Medicare

Program: Medicare is a Federal health insurance program which helps defray many of the medical expenses of Americans over the age of 65.

Medicare consists of two parts:

--Part A. Hospital insurance: helps pay the cost of inpatient hospital care. In some instances, and under certain conditions, Part A may help to pay for home health care, hospice care, and inpatient care in a skilled nursing facility. Written materials describing patients' rights under Medicare should be provided upon admission to a hospital. Detailed information about coverage can be obtained from the local Social Security Office listed above.

--Part B: Medical insurance: helps pay for medically necessary doctor's services, outpatient hospital services, and some other medical services. Part B will not pay for routine physical exams, custodial care, prescription drugs, eyeglasses, and other routine services. Check the Medicare handbook available at your Social Security Office for a complete list. Enrollees pay a monthly premium for part B.

Eligibility: Persons eligible for Social Security may also apply for Medicare benefits. Working persons over 65 are entitled to Medicare even if they do not apply for Social Security.

How to apply: To apply, and for information about which health care services will be paid for by Medicare, contact the local Social Security Office listed above.

Additional Information: Medicare General Information 1-800-882-1228, 617-227-2400

For help and representation:
Mass. Medicare Advocacy Project
102 Norway Street
Boston, MA 02115 1-800-323-3205
617-536-0400
This is a program of Greater Boston Elderly Legal Services which gives advice and free legal representation to the elderly and disabled who believe that they have been wrongfully denied Medicare coverage.

---

**4.Medicaid.**

Program: Funded by both the federal and state Governments, Medicaid is a health care program for low income persons. Nationally, it is the primary source of payment for long term care for older women. It is administered in Massachusetts by the Department of Public Welfare. Benefits cover both institutional and outpatient services. Types of services as well as eligibility criteria vary from state to state.

Eligibility: Constantly changing--as of August 1988 in Massachusetts, clients must have less than $2000 in "countable" assets for a single person, $3000 for a couple; less than $480 per month in income for a single person, $644 for a couple, including Social Security payments. "Countable" assets include jointly held bank accounts; "noncountable" assets include the principal residence of the patient, one auto in a family unit, furniture and clothing, and cash value in a life insurance policy with a face amount not exceeding $1,500, up to $2,500 if irrevocably committed to funeral expenses (some of this information can be found in Estate Planning for the Chronically Ill published by the Massachusetts Bar Association).

How to apply: Call or contact your local welfare office. They will give you an application, which may take from a week to ten days to process by social workers. Eligibility is determined six months at a time, with semi-annual reevaluation for changes in need.

For referral to your local welfare office, call the Department of Public Welfare Client Services at 1-800-841-2900.

---

5. **Medex.**

Program: Medex is a supplement to Medicare for citizens ages 65 and over. If Medicare pays 80% of a medical bill, Medex will pay the remaining 20%. It covers both inpatient and outpatient care, and consists of three types of premiums: Standard, Part Two, and Part Three, from least to most comprehensive coverage. Current costs, for example, for three month periods, are $96.36 for Standard, $108.51 for Part Two, and $143.67 for Part Three. Individuals choose different premiums, which result in different benefits.

Eligibility: Persons 65 and over with Part A and Part B of Medicare are eligible, up to three months before or up to three months after their 65th birthday. Otherwise, they must wait for the next period of open enrollment to join. Open enrollment is generally some time in the first 3 months of each year, and announcements are made in all major newspapers.

How to apply: Call the Blue Cross/Blue Shield information center for Medex General Information at 1-800-258-2226 or 617-956-4000. A list of covered services may be obtained from their offices at 100 Summer Street, Boston 02110.

---

## 6. Fuel Assistance and Weatherization

Program: The Office of Energy Conservation oversees program services provided to 351 Massachusetts communities through 28 local-based agencies. A variety of services are provided, from fuel assistance to weatherization and furnace repair. Funds are usually available from October to April for low income households.

Eligibility: Varies, depending upon income level, number of persons in household, and whether the clients live in subsidized housing.

How to apply: Call the Executive Office of Energy Conservation Weatherization Assistance Program at 1-800-632-8175 to be referred to your local agency.

Additional information: Contact the Massachusetts Office of Energy Conservation at 100 Cambridge Street, Room 1103, Boston, 02202. Their brochure, "Cold Relief," lists local energy assistance agencies for the entire state.

---

## 7. Food Stamps.

Program: Coupon books are available to low income persons for aid in the purchase of edible items. Every month, an Authorization to Purchase (A.T.P.) is mailed to eligible clients. The A.T.P. amount will vary for each client. The A.T.P. is used as a voucher to obtain coupon books at designated stores and banks. Most major stores, as well as smaller ones, accept food stamps.
Eligibility: Standards vary according to number in family and income level. Eligibility is reviewed every 2 to 3 months by your local welfare office.
How to apply: The Department of Public Welfare Food Stamps Hotline will answer questions and direct callers to their local welfare office.
Additional Information: Toll free line: 1-800-882-1223
Or call Department of Public Welfare Client Services at 617-292-8900.

---

## 8. Veterans Benefits

Program: Veterans, their widows or widowers, or parents of veterans with limited income may be eligible for benefits. Veterans benefits include medical care, educational assistance, counseling, and other services. To obtain details about veterans benefits, contact the local Veterans Administration. Benefits counselors can be reached by calling the information line from 7:45 to 4:15, Monday through Friday.
in Boston: 617-227-4600
Elsewhere: 1-800-392-6015

Additional Information: A summary of Veterans Administration Benefits is available in VA pamphlet #27-82-2 from the Veterans Administration, Washington, DC 20420.

---

## 9. Taxes and Tax Abatements.

Exemptions and deferrals to tax payments may be available for persons over 65 with a limited income.

All taxpayers 65 or over benefit from a special gross income requirement for filing a federal income tax return. This benefit is available whther you file Form 1040 or Form 1040A. Other benefits available only to those who qualify may include:
--Credit for the elderly or for the permanently and totally disabled; or
--Exclusion of gain on the sale of your home; or
--Increased standard deduction.

Additional Information: Benefits available to older persons are described in recorded messages by the Internal Revenue Service. They are also explained in I.R.S. publications listed below.

I.R.S. General Information:
in Boston: 523-1040
elsewhere: 1-800-424-1040

Teletax Service: Automated Refunds and Recorded Tax Information

This service consists of about 150 topics that answer many federal tax questions, and a topic for local information such as the location of volunteer tax assistance sites.

in Boston: 523-8602
elsewhere: 1-800-524-4477

Useful I.R.S. Publications include:
#524, "Credit for the Elderly or for Permanently and Totally Disabled"
#501, "Exemptions and Standard Deduction"
#554, "Tax Information for Older Americans"
#910, Guide to Free Tax Services"

Call toll free for forms and publications:
1-800-424-3676
or write IRS Forms Distribution Center
P.O. Box 25866
Richmond, VA 23260

For assistance in preparing tax forms:
AARP Tax Aide Program: Volunteer counselors trained in cooperation with the IRS assist older persons in the preparation of their federal and state tax forms.
Contact: District Coordinator
Tax Aide Program for AARP
486 Chandler Street
Worcester State College
Worcester, MA 01602
508-793-8197

---

## 10. Unemployment Benefits

Program: Unemployment Insurance provides temporary benefits to workers who have become unemployed through no fault of their own and who are looking for full-time jobs.

Eligibility: Based on your earnings, the reason you are unemployed, and your availability for work. You must have earned at least 30 times the amount of your weekly benefit rate, and you must also have earned at least $1,200 during the last 52 weeks. You must have lost your job through no fault of your own, be ready and able to take a full-time job, and be actively looking for full-time work. If your hours at work have been reduced and you meet the other eligibility requirements, you may be able to collect partial benefits.

How to apply: Report in person to a DES Unemployment Insurance Office during your first week of total or partial unemployment. To speed up the process, report according to this filing schedule: the last digit of your Social Security number determines when you should come in to file your claim:
Monday 0,1; Tuesday 2,3; Wednesday 4,5; Thursday 6,7; and Friday 8,9. Those with even numbers should come in the morning, those with odd numbers should come in the afternoon. After you file your claim, you will be given a regular time to come in and pick up your check.

Additional Information: Boston area residents should contact the Massachusetts Division of Employment Security, Hurley Building, Government Center, Boston 02114. The telephone number for questions and referrals to your local office is:
in Boston: 617-727-6560
Elsewhere: 1-800-322-4944
The previous information is found in a pamphlet "Information for Claimants," available at the Division of Employment Security (DES) Unemployment Insurance Offices.

## VI. Legal Resources

This list of legal resources that may be useful in money matters is a sample of many that exist statewide. For offices near you, look in the telephone book under Legal and Mediation Services.

### Greater Boston Legal Services

Offers legal services for low income persons 60 years and over. Their multi-lingual service (Chinese, English, and Spanish) covers such issues as government benefits, elder abuse, guardianship, and tenant rights, as well as advice for consumer problems. Their elderly unit is free.
102 Norway Street
Boston, MA 02115
617-536-0400

### Massachusetts Bar Association

Publishes pamphlets with legal information. Request the following from them:
Divorce at 55 (attention, Family Law Section)
Pensions (Labor Law Section)
Estate Planning (Probate Law Section)
Tax Issues Facing the Elderly (Taxation Section)
Massachusetts Bar Association
20 West Street
Boston, 02111-1204

### Boston College Legal Assistance Bureau

Free Legal Services for persons 60 years and older; no strict income cutoff, home visits available. Serves the towns of Newton, Waltham, Brookline, Watertown, Belmont, Needham, Wellesley, Weston.
24 Crescent Street
Suite 202
Waltham, MA 02154
617-893-4793, TTY 617-893-4799

Somerville Cambridge Legal Services Senior Citizens Law Project

They offer legal assistance in areas such as Social Security and SSI, Medicare and Medicaid, food stamps,and eviction. Provide information and referral, and educational programs. Legal Services are free for persons 60 years and older; free home visits are available.

Serves the towns of Acton, Arlington, Bedford, Belmont, Boxborough, Burlington, Cambridge, Carlisle, Concord, Harvard, Lexington, Lincoln, Littleton, Maynard, Somerville, Stow, Wilmington, Winchester, Woburn. Call their outreach office at 617-935-6495 for other communities.

264 3rd Street

Cambridge, MA 02142

617-492-5520 voice; 617-492-5525 TTY

## VII. General Resources.

### LOCAL CONTACTS-GOVERNMENT

These are some of the local branches of service providers, including the government agencies responsible for oversight.

**Executive Office of Elder Affairs:(EOEA)**
---The state cabinet-level agency which oversees the state's delivery of services to the elderly.
General Information.....617-727-8931
Advocacy Office.....617-727-7750
Elder Information and Referral Hotline.....1-800-882-2003
Their offices are located at 38 Chauncy Street, Boston, 02111.

**Area Agencies on Aging** (organized by EOEA)
Established by the Older Americans Act, these agencies offer information and referral services about resources in each area and help gain access to needed services. The AAAs contract with Home Care Corporations to provide a variety of services to eligible clients.
In Boston: Commission on Affairs of the Elderly
One City Hall Square
Rm 271, Boston 617-725-4366.
Mayor's Elderly Hotline (information and referral) 617-725-4646/ 725-4587 (TDD)

Community Services Advocates: answer questions about Social Security, SSI, Medicare, Medicaid, etc. Each area has a Community Services advocate. Call the Boston Commision on Affairs of the Elderly at 617-725-3993 to contact yours.

## Local Councils on Aging

Local agencies are usually appointed by city or town government to serve the elders of each community. Services, which vary, may include: Information and referral, meal programs, multi-service and drop-in centers, newsletters and publications, outreach, public awareness programs, radio and television broadcasts, recreational and social activities, senior discounts, transportation, and visitors and telephone reassurance.

Look for your Local Council on Aging listed in the telephone book under the Government Listing section.

## GROUPS AND ORGANIZATIONS

**American Association of Retired Persons**
Women's Initiative
1909 K Street N.W.
Washington DC 20049 202-728-4355

Local Contact:

Women's Inititative
AARP
950 Park Square Building
Boston 02116
617-426-1185

The AARP Women's Inititative provides materials and resources and advocates and inititates action on behalf of older women. It is a project of the AARP, a non-profit membership organization that features legislative representation, educational and community service programs, and membership benefits.

AARP Consumer Affairs Program: Printed materials and audio-visual programs are available on a number of issues, including financial planning, consumer rights, funeral planning, and insurance purchases. Contact the Boston office of AARP at: 617-426-1185

Pension information may be obtained from AARP Worker Equity Department, 1909 K Street NW, Washington, DC. 20049

**Displaced Homemakers**
The Bay State Skills Corporation
101 Summer Street, 2nd floor
Boston, MA 02110
617-292-5100
Displaced Homemakers outreach and information services, job counseling, assistance with job training and job placement services, and educational services for displaced homemakers.

Gerontology Program- UMASS/Boston
College of Public and Community Service
Boston, MA 02125
617-956-1157
Their research and advocacy projects include a new series of future-planning workshops, "Future Connections," as well as legal interns who document age discrimination complaints.

**Jewish Family and Children's Service**
31 New Chardon Street
Boston, MA 02114
617-227-6641
Among the services they offer include information on Medicare, Medicaid, and Social Security.

**Massachusetts Association of Older Americans (M.A.O.A.)**
110 Arlington Street
Boston, MA 02116-5396
617-426-0805
Among other programs, this private non-profit elderly advocacy organization maintains a list of lawyers with Medicaid trust experience (enabling clients to qualify for eligibility in the Medicaid program), as well as a financial planner.

**Older Women's League**
national: (publications address)
730 Eleventh Street NW
Suite 300
Washington, DC 20001

Greater Boston Chapter
Bunker Hill Community College
Charleston, MA 02129
In addition to serving as advocates, they offer a wealth of educational materials on vital issues from the viewpoint of midlife and older women. Their special edition of the OWL Observer on Pensions is an excellent source of introductory information.

**Women's Educational and Industrial Union**
356 Boylston Street
Boston, MA 02116
617-536-5651
Career services, volunteer programs, programs for the homeless, nursing home guide.

**Women's Equity Action League (WEAL)**
1250 I Street, NW
Suite 305
Washington, DC 20005
202-898-1588
WEAL specializes in women's economic issues. It is a national membership organization that works for women's economic equity through research and education projects, support for litigation, and legislative advocacy.

## GLOSSARY OF TERMS

Listed below are commonly used terms in money matters. Some are taken from Banking Terminology, 2nd Edition, by the American Bankers Association; others may be found in the Older Women's League OWL Observer-Special Edition on Women and Pensions. Single copies of OWL's publication are available free from OWL at 730 Eleventh Street NW, Suite 300, Washington, DC 20001. Telephone 202-783-6686.

Annuity: Pension benefits may be paid in different ways. One method of payment is an annuity. An annuity provides a fixed amount of income annually or at regular intervals for a specified period of time, such as the stated number of years or for life.

Bond: A bond is a long-term debt instrument issued in standardized format that bears interest and promises repayment of the principal. It generally has an original maturity of 5 years or more. Examples include U.S. Savings bonds.

Certificate of Deposit (C.D.): A C.D. is an investment account available in a variety of terms, so you can target a convenient maturity date. It requires a minimum investment, and the rate in effect at purchase is fixed and guaranteed for the full term of the certificate. The interest payment is usually higher than that from a standard savings account. There may be a penalty for early withdrawal.

Deeming: When a couple lives together one spouse's income and assets are considered (deemed) available to pay the other spouse's health care bills.

Defined Benefit Plan: This is a common type of pension plan under which a specified pension amount is promised to you by your employer based on a definite formula. This formula may provide that your benefit will be a particular percentage of your average pay over your entire

service or over a particular number of years. It may provide for a flat monthly payment or, alternatively, it may provide a definite amount for each year of service, expressed either as a percentage of pay or as a flat dollar amount for each year of service. Your pension income under a defined benefit plan is apparent. The employer usually pays into a plan without deductions from your earnings.

Defined Contribution Plan: This is another common type of pension plan under which set payments or contributions are made for each individual employee and set aside in individual accounts for retirement. Contributions may come out of your earnings, matched by the employer. Alternatively, the employer may pay a major share or all of it. Calculating the benefit upon retirement is not exact since accummulated contributions and investment returns vary.

Employee Retirement Income Security Act of 1974 (ERISA):
This Act, signed into law in 1974, regulates the majority of private pensions and welfare group plans in the U.S. The Act establishes requirements for participation, vesting, and other areas of pension practices.

Individual Benefits Statement: By law, the employer must provide this statement to show what the employee's total benefit will be worth based on earnings to date. You should request this statement in writing. The employer is required to supply this only once a year. The statement usually includes a projection of what the pension will be worth to the pensioner, if he/she retires at age 65.

Individual Retirement Account (IRA): The IRA is similar to a savings account but is designed specifically for accumulating retirement income. Unlike pension plans, it is not set up or sponsored by an employer. An individual may set aside retirement money in an IRA while enjoying the benefit of tax deductions, within specified limits. Earnings within an account are tax-deferred until withdrawal. The rules governing IRAs are administered by the Internal Revenue Service (IRS). For further information, contact the nearest IRS office listed in the telephone directory. For a copy of a booklet on IRAs, write the Pension Benefit Guaranty Corporation, Coverage and Inquiries Branch, 2020 K Street, N.W. Washington, D.C. 20006.

Integration: Some employers take into account the Social Security benefits an employee has earned when figuring out pension benefits. In effect, when employers practice integration, they subtract from your earned pension a percentage of your Social Security benefit.

Joint and Survivor Benefit: When a pension plan provides retirement benefits to a married person, it must also provide for a spouse's pension or a joint and survivor benefit. This means that as the spouse of a participant, you may receive a survivor benefit in the event of your spouse's death. The joint and survivor benefit would be at least one-half the amount your spouse would receive while still living. You can revoke this survivor benefit in exchange for higher benefits while your spouse is living by signing a statement witnessed by a Notary Public or pension plan administrator. You are entitled to a joint and survivor benefit even if your worker spouse dies before reaching retirement age as long as your spouse is vested in the pension plan.

Keogh Plan: A Keogh Plan, also referred to as a Qualified Pension Plan, is a tax-sheltered retirement plan available to self-employed individuals and partnerships. Contributions are deducted from Federal taxes, and interest

earned is not subject to either Federal or Massachusetts tax until withdrawn.

Lump Sum Distribution: A lump sum distribution refers to a payout of your entire balance in a qualified retirement plan within one taxable year. This can result in high taxes unless appropriate investment strategy (for example, a rollover of funds into an IRA) is employed within sixty days of receipt of the distribution.

Portability: This term is used to describe the capacity to take accumulated monies in your pension fund with you when moving from one employer to another.

Stock: A stock is a certificate evidencing ownership in a corporate enterprise. The stock of a corporation is usually divided into two classes: common and preferred. The common stock represents basic ownership and the holder's claims to income and assets are subordinate to the claims of bondholders, creditors, and preferred stockholders. The holders of preferred stock have priority to income and generally to assets. However, income is usually limited to a definite percentage, regardless of earnings.

Treasury Note: An intermediate security issued by the United States Treasury Department, Treasury Notes have a maturity of 1 to 10 years. Government securities maturing in one year or less are called bills and certificates; those maturing in more than 5 years are called bonds.

Vesting: Vesting a pension means earning a legal, nonforfeitable right to the money in your pension fund. Once you are vested in a pension plan, you have an insured right to the benefits in the fund for retirement. Your own contributions to your pension are always fully vested, but the contributions made by your employer are vested according to different formulas. Employers may vest in stages or all at once, and they may set different rates for vesting. Typically, you are fully vested after ten years of participation.

## BIBLIOGRAPHY FOR THIS GUIDE

American Association of Bankers, Banking Terminology, Second Edition, 1985.

Caraballo, Elba, and Nita Goldstein. Economic Status of Older Women In Massachusetts. Prepared with the Older Women's Internship Group, Boston: Gerontology Institute of the UMASS/Boston College of Public and Community Service, 1987.

Divorce After 50-Challenges and Choices. A Publication of Social Outreach and Support Section Program Department- AARP. 1987.

Doress, Paula Brown and Diana Laskin Siegal, in cooperation with the Boston Women's Health Book Collective. Ourselves, Growing Older.(New York: Simon and Schuster, 1987.) An enormous wealth of information on topics related to aging women.

Lansky, Byrna, ed. Tomorrow's Retiree-A Planning and Resource Publication. Contact Tommorow's Retiree at Box 956, Brookline, Ma. 02146.

National Institute on Aging, U.S. Department of Health and Human Services. "Age Page: Getting Your Affairs in Order." February 1988. U.S. G.P.O. #1988-205-753

OWL Observer: Special Edition, Women and Pensions. November, 1985. Available from address listed for Older Women's League.

Starr, Jonathan. Human Service Yellow Pages of Greater Boston. Updated August 1988 edition will cover the whole state. Includes a section on elderly services.

Tilly,Jane. AARP Public Policy Institute Issue Brief, "Medicaid Eligibility and Spousal Impoverishment," May 1987. Available from AARP, 1909 K Street NW, Washington DC 20049

Villers Foundation. On the Other Side of Easy Street: Myths and Facts About the Economics of Old Age. 1987.

Where to Turn for Help for Older Persons-A Guide for Action on Behalf of An Older Person-published by South Shore Elder Services, Inc. (call them at 617-848-3910/ 383-9790)

## VIII. Acknowledgements

The Governor's Office on Women's Issues would like to thank the individuals who have assisted in the compilation and editing of this brochure.

Vivien Li, Governor's Advisor on Women's Issues
Kirsten Hertz, Policy Analyst
Cecelia Martin, Administrative Assistant
Kim Glickman, intern
Deborah Dubin, intern

With much appreciation for editing advice from advocates, as well as content suggestions from resource providers.

Help received from Central Reproduction by Mr. Robert Gomes, Mr. Robert Olson, Mr. Al Enos, and Mr. Harold Crowley is also gratefully acknowledged.

This booklet was researched and written by Deborah Dubin.

Governor's Office on Women's Issues
State House, Room 109A
Boston, Massachusetts 02133

Designed and printed by Central Reproduction